

Sr.No. 3794**Exam.Code: 110106**
Subject Code : 7228**B. Voc. Banking & Financial Services - 6th Sem.****(2517)****Paper-BVC-604: International Financial Management****Time allowed: 3 hrs.****Max. Marks: 50****Section – A (10 marks)**

This section consists of TWELVE very short answer questions and students are required to attempt any TEN questions with answer to each question up to five lines in length. Each question carries ONE mark.

Q.1.

- (i) Bid-Ask Spread
- (ii) Spot quotations
- (iii) Nominal and Real Exchange rates
- (iv) The Fisher effect
- (v) Impact of Trade deficit on current account balance
- (vi) Capital account convertibility
- (vii) Offsetting Trade
- (viii) Technical analysis
- (ix) Expropriation
- (x) Accounting exposure vs. economic exposure
- (xi) Hedging in currency futures market
- (xii) Economic advantages of Swaps

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Section-B (20 Marks)

This section consists of four questions and candidates are required to attempt any two questions with answer to each question up to five pages in length. Each question carries ten marks.

- Q.2. How has the growth in international trade and multinational corporations have been responsible for growing importance of the study of international finance?
- Q.3. Explain the Interest Rate Parity (IRP) theory of exchange rate determination in a forward market.
- Q.4. Explain the concept of Balance of Payments (BoP) disequilibrium. Discuss the causes of Balance of Payments (BoP) disequilibrium. Also, explain different approaches to adjustment of BOP disequilibrium.
- Q.5. Explain the different approaches to currency forecasting in a floating rate system.

Section-C (20 Marks)

This section consists of four questions and candidates are required to attempt any two questions with answer to each question up to five pages in length. Each question carries ten marks.

- Q.6. What factors might affect the degree of political risk faced by a firm operating in a foreign country?
- Q.7. What do you mean by translation exposure? Describe the principal translation methods.
- Q.8. Explain the different factors influencing operating exposure. Specifically, highlight the role of inflation.
- Q.9. Describe the features of currency future contracts.

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